

**ANNUAL REPORT OF
WATER AND/OR SEWER UTILITIES**

**ILLINOIS COMMERCE
COMMISSION**



CHIEF CLERK'S OFFICE

APR 17 11 08 AM '00

ILLINOIS
COMMERCE COMMISSION

Exact Legal Name of Respondent (Company)	Year of Report
Northern Illinois Water Corporation	December 31, 1999

This state agency is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined in Section 5-109 of the Public Utilities Act [220 ILCS 5/5-109]. Disclosure of this information is REQUIRED. Failure to provide any information could result in a fine of \$100 per day under Section 5-109 of the Public Utilities Act. This form has been approved by the Forms Management Center.

GENERAL INSTRUCTIONS

1. Utilities with annual revenues of \$1,000,000 or more shall complete all schedules including those marked with a star. Those utilities which have annual revenues less than \$1,000,000 need not complete the schedules marked with a star.
2. Prepare this report in conformity with the Uniform System of Accounts for Water and/or Sewer Utilities.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record, such as by typewriter. Money items (*except averages, percentages and statistics*) throughout the report should be shown in units of dollars adjusted to accord with footings.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. The form of annual report is to be completed in triplicate. The original and one conformed copy (*which may be a carbon copy*), properly completed and verified, are to be filed with the ILLINOIS COMMERCE COMMISSION, 527 East Capitol Avenue, P.O. Box 19280, Springfield, Illinois 62794-9280, on or before March 31 of the year following the year for which the report is made. One copy is to be retained by respondent.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Certification	1
General Information.....	2
Composite of Statistics	3

FINANCIAL SECTION

Comparative Balance Sheet	4F-6F
Comparative Statement of Income for the Year	7F
State of Cash Flows.....	8F-9F
Notes to Financial Statements	10F
Utility Plant	11F
Utility Plant Acquisition Adjustments	11F
Accumulated Depreciation and Amortization of Utility Plant	11F
Accounts Receivable from Associated Companies	12F
Notes Receivable from Associated Companies.....	12F
Materials and Supplies.....	12F
Prepayments	12F
Miscellaneous Deferred Debits	12F
Unamortized Debt Discount and Expense and Premium on Debt	13F
Extraordinary Property Losses	13F
Notes Payable	13F
Accounts Payable to Associated Companies	14F
Capital Stock.....	14F
Long Term Debt.....	14F
Retained Earnings	14F
Bonds	15F
Advances to Associated Companies	15F
Advances for Construction	15F
Contributions in Aid of Construction	16F
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	16F
Reconciliation of Gross Revenue Tax	16F(a)

WATER OPERATION SECTION

Listing of Employees	17W
Water Operating Revenue	17W
Water Utility Plant Accounts.....	18W
Water Operation and Maintenance Expense.....	18Wa
Analysis of Accumulated Depreciation by Primary Account	19W
Pumping and Purchases Water Statistics, Chemical Statistics and Electrical Statistics	20W
Mains, Services, Meters and Fire Hydrants, Wells and Well Pumps.....	21W
Reservoirs and High Service Pumping & Other Water System Information	22W

SEWER OPERATION SECTION

Listing of Employees	23S
Sewer Operating Revenue.....	23S
Sewer Utility Plant Accounts and Sewer Operation and Maintenance Expenses	24S(a)
Analysis of Accumulated Depreciation by Primary Account and Pumping Equipment Information	25S
Service Connections.....	26S
Collecting and Force Mains, Manholes and Treatment Plant	26S
Master Lift Station Pumps	27S

UTILITY NAME

Northern Illinois Water Corporation

Year of Report

Dec. 31, 1999.

CERTIFICATION

STATE OF Illinois

COUNTY OF St. Clair

Joseph D. Harris

(Name of Affiant)

makes oath and says that he is

Comptroller

(Official Title of Affiant)

of Northern Illinois Water Corporation
(Exact Legal Title or Name of Respondent)

that he/she has examined the following report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the said report is a correct statement of the business affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1, 19 99, to and including December 31, 19 99.

Joseph D. Harris
(Signature of Affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and County named, this

30th day of March, ~~XX~~ 2000.

My Commission expires February 26, ~~XX~~ 2003.

Marsha L. Rohr
(Signature of Oath Administer)

OFFICIAL SEAL
MARSHA L ROHR
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. FEB. 26, 2003

Name and address of person to whom correspondence concerning this report should be addressed:

Joseph D. Harris - Comptroller

300 North Water Works Drive

P.O. Box 24040

Belleville, IL 62223-9040

Telephone [618] 239-2253

List below the address of where the utility's books and records are located:

300 North Water Works Drive

P.O. Box 24040

Belleville, IL 62223-9040

Date of original organization of the utility: 12 / 16 / 38

List below the names, titles and compensation/salary of each:

See Attached Schedule

OFFICERS

	Name	Title	Salary
1.			
2.			
3.			
4.			
5.			

DIRECTORS/MANAGERS

	Name	Title	Salary
1.			
2.			
3.			
4.			
5.			

NORTHERN ILLINOIS WATER CORPORATION
Supplemental Schedule of Officers and Directors/Managers

Officers

Name	Title	Period Served	Salary
1. Terry L. Gloriod	Chairman of the Board	1/1/99 - 6/25/99	\$ -
1a. "	President	6/25/99 -	(1)
2. R. Douglas Mitchem	Vice President	6/25/99 -	(1)
3. Charles A. Overath	Vice President and Treasurer	6/25/99 - 12/31/99	(1)
4. Sue A. Schultz	Secretary	6/25/99 -	(1)
5. Doneen S. Hobbs	Comptroller	6/25/99 - 9/30/99	(1)
6. Mark L. Johnson	Vice President - Production	1/1/99 - 6/25/99	\$ 58,125
6a. "	Vice President - Engineering	9/1/99 -	\$ 36,667
7. Joseph D. Harris	Comptroller	11/1/99 -	\$ 11,667
	Assistant Treasurer and		
8. Ronald D. Stafford	Assistant Secretary	6/25/99 -	(1)
9. Susan K. Cole	Assistant Treasurer	6/25/99 -	(1)
10. James G. Needler	Assistant Comptroller	6/25/99 -	(1)
11. Duane D. Cole	President	1/1/99 - 6/25/99	\$ 82,750
12. Frederick L. Ruckman	Vice President - Comptroller	1/1/99 - 6/25/99	\$ 56,875
13. Kevin F. Hillen	Vice President - Distribution	1/1/99 - 6/25/99	\$ 42,000
14. Phillip H. Peters	Treasurer	1/1/99 - 6/25/99	\$ -

Directors/Managers

Name	Title	Period Served	Salary
1. Terry L. Gloriod	Chairman of the Board	1/1/99 - 6/25/99	\$ -
1a. "	Director	6/25/99 -	\$ -
2. J. James Barr	Director	6/25/99 -	\$ -
3. Elizabeth H. Gemmill	Director	6/25/99 -	\$ -
4. Thomas E. Holloway	Director	6/25/99 -	\$ -
5. Daniel L. Kelleher	Director	6/25/99 -	\$ -
6. Gerald C. Smith	Director	6/25/99 -	\$ -
7. Paul W. Ware	Director	6/25/99 -	\$ -
8. Ellen C. Wolf	Director	6/25/99 -	\$ -
9. Robert S. Shierry	Director	1/1/99 - 6/25/99	\$ -
10. Duane D. Cole	President	1/1/99 - 6/25/99	See above
11. Frederick L. Ruckman	Vice President - Comptroller	1/1/99 - 6/25/99	See above
12. Charles A. Buescher	Director	1/1/99 - 6/25/99	\$ 200
13. Paula M. Turrentine	Director	1/1/99 - 6/25/99	\$ 200
14. William S. White	Director	1/1/99 - 6/25/99	\$ 200
15. Stewart M. Dansby	Director	1/1/99 - 6/25/99	\$ 200
16. Robert A. Dolson	Director	1/1/99 - 6/25/99	\$ -

(1) These officers were also officers of Illinois-American and were paid by that company.

UTILITY NAME	Northern Illinois Water Corporation	Year of Report
		Dec. 31, 19 99

**COMPOSITE OF STATISTICS FOR ALL PRIVATELY OWNED
WATER & SEWER UTILITIES UNDER ILLINOIS COMMERCE COMMISSION JURISDICTION**

	WATER	SEWER
UTILITY PLANT	\$	\$
Plant in Service	105,914,103	
Construction Work in Progress	1,699,937	
Plant Acquisition Adjustment		
Plant Held for Future Use	9,033	
Materials and Supplies	766,166	
Less:		
Accumulated Depreciation and Accumulated Amortization	27,980,380	
Contributions in Aid of Construction	12,151,890	
Net Book Cost	\$ 68,256,969	\$
REVENUES AND EXPENSES		
Operating Revenues	\$ 22,968,317	\$
Depreciation and Amortization Expenses	\$ 2,701,327	\$
Income Tax Expenses	1,492,943	
Taxes Other Than Income	1,295,023	
Other Operating Expenses	13,103,136	
Total Operating Expenses	\$ 18,592,429	\$
Net Operating Income	\$ 4,375,888	\$
Other Income (Including AFUDC of \$43,570)	\$ 150,843	\$
Other Income Deductions	2,227,393	
Net Income	2,299,338	
OTHER STATISTICS		
Average Annual Residential Use Per 1,000 Gallons	72.12	
Average Annual Residential Cost Per 1,000 Gallons	\$ 3.26	\$
Average Residential Monthly Bill	\$ 19.62	\$
Gross Plant Investment Per Customer	\$ 1688.90	\$

COMPARATIVE BALANCE SHEET

Acct. No. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	Current Year (d)	Previous Year (e)
UTILITY PLANT				
101-108	Utility Plant	11F	\$ 107,623,073	\$ 101,337,334
108-110	Less: Accumulated Depreciation and Amortization	11F	27,980,380	25,730,660
	Net Plant		\$ 79,642,693	\$ 75,606,674
114-115	Utility Plant Acquisition Adjustments (Net)	11F		
118	Other Utility Plant Adjustment		\$	\$
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property		\$	\$
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Plant		\$	\$
123	Investment in Associated Companies			
124	Utility Investments			
125	Other Investments			
126-127	Special Funds			
	Total Other Property & Investments		\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 1,368,560	\$ 111,958
132	Special Deposits			
133	Other Special Deposits			
134	Working Funds		1,000	950
135	Temporary Cash Investments			
141-144	Accounts & Notes Receivable, Less Accumulated Provision For			
	Uncollectible Accounts		1,465,087	1,460,018
145	Accounts Receivable from Associated Companies	12F		
146	Notes Receivable from Associated Companies	12F		
151-153	Materials and Supplies	12F	766,166	825,002
161	Stores Expenses			
162	Prepayments	12F	101,747	61,512
171	Accrued Interest and Dividends Receivable		- - -	37,044
172	Rents Receivable			
173	Accrued Utility Revenues		1,541,814	1,597,739
174	Miscellaneous Current and Accrued Assets		410,602	195,140
	Total Current and Accrued Assets		\$ 5,654,976	\$ 4,289,363
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	13F	\$ 2,388,385	\$ 2,507,123
182	Extraordinary Property Losses	13F		
183	Preliminary Survey & Investigation Charges		52,286	24,807
184	Clearing Accounts		1,077	72
185	Temporary Facilities			
186	Miscellaneous Deferred Debits	12F	3,350,321	1,810,680
187	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		3,291,782	3,849,758
	Total Deferred Debits		\$ 9,083,851	\$ 8,192,440
	TOTAL ASSETS AND OTHER DEBITS		\$ 94,381,520	\$ 88,088,477

UTILITY NAME	Year of Report
Northern Illinois Water Corporation	Dec. 31, 19 99

COMPARATIVE BALANCE SHEET

Acct. No. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	Current Year (d)	Previous Year (e)
EQUITY CAPITAL				
201	Common Stock issued	14F	\$ 8,256,000	8,256,000
204	Preferred Stock issued	14F		
202,205	Capital Stock Subscribed			
203,208	Capital Stock Liability for Conversion			
207	Premium on Capital Stock			
209	Reduction in Par or Stated Value of Capital Stock			
210	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-In Capital		451,750	451,750
212	Discount on Capital Stock			
213	Capital Stock Expense			
214,215	Retained Earnings	14F	21,648,687	21,067,625
216	Reacquired Capital Stock			
218	Proprietary Capital (<i>Proprietorship & Partnership Only</i>)			
	Total Equity Capital		\$ 30,356,437	\$ 29,775,375
LONG-TERM DEBT				
221	Bonds		\$ 33,000,000	\$ 33,000,000
222	Reacquired Bonds			
223	Advances from Associated Companies			
224	Long-Term Debt			
	Total Long-Term Debt		\$ 33,000,000	\$ 33,000,000
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		\$ 490,227	\$ 630,050
232	Notes Payable	13F	- - -	(1,890,870)
233	Accounts Payable to Associated Companies	14F	2,947	
234	Notes Payable to Associated Companies	13F		
235	Customer Deposits		277,652	324,419
236	Accrued Taxes		808,207	469,427
237	Accrued Interest		456,971	456,971
238	Accrued Dividends			
239	Matured Long-Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities		\$ 1,300,473	\$ 1,569,327
	Total Current and Accrued Liabilities		3,336,477	1,559,324
DEFERRED CREDITS				
251	Unamortized Premium on Debt	13F	\$	\$
252	Advances for Construction	15F	5,073,422	3,309,789
253	Other Deferred Credits		3,031,099	78,012
255	Accumulated Deferred Investment Tax Credits		693,948	735,672
	Total Deferred Credits		\$ 8,798,469	\$ 4,123,473

COMPARATIVE BALANCE SHEET

Acct. No. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	Current Year (d)	Previous Year (e)
	OPERATING RESERVES			
281	Property Insurance Reserve		\$	\$
282	Injuries and Damages Reserve			
283	Pensions and Benefits Reserve			
285	Miscellaneous Operating Reserves			
	Total Operating Reserves		\$	\$
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions In Aid of Construction	16F	\$ 14,812,510	\$ 14,534,560
272	Accumulated Amortization of Contributions In Aid of Construction		(2,660,620)	(2,386,903)
	Total Net C.I.A.C		\$ 12,151,890	\$ 12,147,657
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes -			
	Accelerated Depreciation		\$	\$
282	Accumulated Deferred Income Taxes -			
	Liberalized Depreciation		4,515,063	4,563,296
222	Accumulated Deferred Income Taxes - Other		2,223,184	2,919,352
	Total Accumulated Deferred Income Taxes		\$ 6,738,247	\$ 7,482,648
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 94,381,520	\$ 88,088,477

NOTES TO THE BALANCE SHEET

This space is provided for important notes regarding the balance sheet.

The Company's indentures restrict dividends on Common Stock except stock dividends, and purchases of Common Stock. The amount of Retained Earnings subject to this restriction amounts to \$1,947,757. The amount of Retained Earnings available for the payment of dividends at December 31, 1999 is \$19,700,930.

UTILITY NAME			Year of Report	
Northern Illinois Water Corporation			Dec. 31, 19 99	
COMPARATIVE STATEMENT OF INCOME FOR THE YEAR				
Acct No. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	Current Year (d)	Previous Year (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	17W, 23S	\$ 22,968,317	\$ 22,554,455
401	Operating Expenses	18Wa, 24Sa	\$ 13,103,136	\$ 10,929,215
403	Depreciation Expenses	19W, 25S	2,690,255	2,441,693
406	Amortization of Utility Plant Acquisition Adjustment			
407.X	Amortization Expense		11,072	11,072
408.1X	Taxes Other Than Income		1,295,023	1,291,787
409.1X	Income Taxes		1,757,789	2,036,081
410.10	Deferred Federal Income Taxes		(201,067)	53,329
410.1X	Deferred State Income Taxes		(22,056)	1,200
411.10	Provision for Deferred Income Taxes			81,988
412.10	Investment Tax Credits Deferred to Future Periods			
412.11	Investment Tax Credits Restored to Operating Income		(41,723)	(41,700)
	Utility Operating Expenses		\$ 18,592,429	\$ 16,804,665
	Utility Operating Income		\$ 4,375,888	\$ 5,749,790
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
	Total Utility Operating Income		\$ 4,375,888	\$ 5,749,790
OTHER INCOME AND DEDUCTIONS				
415	Revenues from Merchandising, Jobbing & Contract Deductions		\$ 190,922	\$ 125,965
416	Costs & Expenses of Merchandising, Jobbing & Contract Work		(149,967)	(109,526)
419	Interest and Dividend Income		65,236	143,222
420	Allowance for Funds Used During Construction		43,570	40,630
421	Nonutility Income		5,529	3,586
426	Miscellaneous Nonutility Expenses		(4,447)	(3,445)
	Total Other Income and Deductions		\$ 150,843	\$ 200,432
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes-Credits			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income		\$	\$
INTEREST EXPENSE				
427.X	Interest Expense		\$ 2,101,155	\$ 2,158,907
428	Amortization of Debt Discount & Expense	13F	126,238	122,146
429	Amortization of Premium on Debt	13F		
	Total Interest Expense		\$ 2,227,393	\$ 2,281,053
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
430	Income Taxes, Extraordinary Items			
	Total Extraordinary Items		\$	\$
	NET INCOME		\$ 2,299,338	\$ 3,669,169

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 10F. Information about noncash investing and financing activities should be provided on page 10F. Provide also on page 10F a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 10F the amounts of interest paid (net of amounts capitalized) and income taxes paid.

(Further instructions are provided on page 9F)

Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes (a) thru (d)) (a)	Amount (b)
1	Net Cash Flow from Operation Activities:	
2	Net Income (on page 7F)	2,299,338
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	2,701,327
5	Amortization of (Specify)	
6	Rate Case 124,056, GIS Mapping 10,472, Watershed 55,538	
7	Plant 11,072, Def Maintenance 124,727, Debt Expense 126,238	452,103
8	Deferred Income Taxes (Net)	(1,145,954)
9	Investment Tax Credit Adjustments (Net)	(41,724)
10	Net (Increase) Decrease in Receivables	(281,975)
11	Net (Increase) Decrease in Inventory	58,835
12	Net Increase (Decrease) in Payables and Accrued Expenses	279,654
13	(Less) Allowance for Other Funds Used During Construction	(43,570)
14	(Less) Undistributed Earnings from Subsidiary Companies	
15	Other: Net regulatory liabilities	925,646
16	Increase (Decrease) in Other Assets net of Increase	
17	(Decrease) in Other Liabilities	909,515
18		
19		
20		
21	Net Cash Provided by (Used In) Operating Activities	
22	(Total of lines 2 thru 20)	6,113,193
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Water Utility Plant	(7,049,790)
27	Gross Additions to Sewer Utility Plant	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	43,570
31	Other:	(56,997)
32	Cost of removal of salvage	
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(7,063,217)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Associated and Subsidiary Companies	
40	Contributions and Advances from Associated and Subsidiary Companies	
41	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
42		
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

UTILITY NAME

Northern Illinois Water Corporation

Year of Report

Dec. 31, 19 99

STATEMENT OF CASH FLOWS (continued)

4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 10F. Provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 10F.
5. Codes Used:
(a) Net proceeds or payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; (d) Identify separately such items as investments, fixed assets, intangibles, etc.
6. Enter on page 10F clarifications and explanations.

Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes (a) thru (d)) (a)	Amount (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net Increase (Decrease) in Payables and Accrued Expenses	
52	Other:	
53		
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	(7,063,217)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from issuance of:	
61	Long-Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other: Customer Advances and Contributions	2,041,582
65	Change in Inter Company Notes	1,890,870
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	3,932,452
71		
72	Payments for Retirement of:	
73	Long-Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other: Debt Issuance Cost	(7,500)
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	(1,718,276)
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	2,206,676
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	1,256,652
87		
88	Cash and Cash Equivalents at Beginning of Year	112,908
89		
90	Cash and Cash Equivalents at End of Year	1,369,560

NOTES TO FINANCIAL STATEMENTS

- 1 Use the space below for important notes regarding the Comparative Balance Sheet, Comparative Income Statement for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flows or any account thereof. Classify the notes according to each basic statement, providing a sub-heading for each statement except where a note is applicable to more than one statement.
- 2 Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
- 3 For Accounts 114-115, Utility Plant Acquisition Adjustments, explain the origin of such amount, debits and credits during the year, and plans of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
- 4 Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
- 5 If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable, such notes may be attached hereto.

STATEMENT OF CASH FLOWS:

For the Statement of Cash Flows, the Company considers all cash type investments that are readily convertible to cash with little or no risk of loss of principal, to be cash equivalents.

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for:

Interest (Net of Amounts Capitalized)	2,057,585
Income Taxes	1,452,900

UTILITY NAME		Northern Illinois Water Corporation		Year of Report	Dec. 31, 1999
UTILITY PLANT (ACCOUNTS 101 - 106)					
Acct. No.		WATER	SEWER	TOTAL	
PLANT ACCOUNTS					
101	Utility Plant In Service	\$ 105,914,103	\$	\$ 105,914,103	
102	Utility Plant Leased To Others				
103	Property Held For Future Use	9,033		9,033	
104	Utility Plant Purchased Or Sold				
105	Construction Work In Progress	1,699,937		1,699,937	
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 107,623,073	\$	\$ 107,623,073	
UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCOUNTS 114 - 115)					
Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.					
		WATER	SEWER	TOTAL	
ACQUISITION ADJUSTMENTS (114)					
		\$	\$	\$	
Not Applicable					
Total Plant Acquisition Adjustments					
		\$	\$	\$	
ACCUMULATED AMORTIZATION (115)					
		\$	\$	\$	
Not Applicable					
		\$	\$	\$	
Net Acquisition Adjustments					
		\$	\$	\$	
ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT					
ACCOUNT 108 - 110		WATER	SEWER	TOTAL	
Balance First of Year		\$ 25,730,660	\$	\$ 25,730,660	
Credits During Year:					
Accruals Charged To Depreciation Account		\$ 2,701,327	\$	\$ 2,701,327	
Salvage		88,452		88,452	
Other Credits (Specify)		9,608		9,608	
		273,716		273,716	
Total Credits		\$ 3,073,103	\$	\$ 3,073,103	
Debits During Year:					
Book Cost Of Plant Retired		\$ 677,937	\$	\$ 677,937	
Cost Of Removal		145,446		145,446	
Other Debits (Specify)					
Total Debits		\$ 823,383	\$	\$ 823,383	
Balance End Of Year		\$ 27,980,380	\$	\$ 27,980,380	

* ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCOUNT 145)

Report each account receivable from associated companies separately.

DESCRIPTION	TOTAL
	\$
Not Applicable	
Total	\$

* NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCOUNT 148)

Report each note receivable from associated companies separately.

DESCRIPTION	INTEREST RATE	TOTAL
	%	\$
Not Applicable	%	
	%	
	%	
	%	
	%	
Total	%	\$

* MATERIALS AND SUPPLIES (ACCOUNTS 151 - 153)

	WATER	SEWER	TOTAL
Plant Materials and Supplies (Account 151)	\$ 766,166	\$	\$ 766,166
Merchandise (Account 152)			
Other Materials and Supplies (Account 153)			
Total Materials and Supplies	\$ 766,166	\$	\$ 766,166

* PREPAYMENTS (ACCOUNT 162)

	WATER	SEWER	TOTAL
Prepaid Insurance	\$ 50,462	\$	\$ 50,462
Prepaid Rents			
Prepaid Interest			
Prepaid Taxes	8,733		8,733
Other Prepayments (Specify): Chlorine Cyl Deposits	27,209		27,209
Prepaid Expenses	10,729		10,729
Prepaid Other	4,614		4,614
Total Prepayments	\$ 101,747	\$	\$ 101,747

* MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Account 186):	
Deferred Rate Case Expense (Account 186.1)	\$ 31,02
Other Deferred Debits (Account 186.2)	3,319,299
Total Miscellaneous Deferred Debits	\$ 3,350,321

UTILITY NAME

Northern Illinois Water Corporation

Year of Report

Dec. 31, 19 99

★ UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT (ACCOUNTS 181 & 251)

Report the net discount and expense or premium separately for each security issue.

		Amt. Written Off During Year	Year End Balance
Unamortized Debt Discount and Expense (Account 181):	Series K	12,777	7,454
	Series M	\$ 15,847	\$ 62,067
	Series N	5,432	53,862
	Series O	20,655	437,198
	Series P	15,320	348,540
	Series Q	23,619	584,571
Total Unamortized Debt Discount and Expense	Series R	\$ 18,077	\$ 486,557
Unamortized Premium On Debt (Account 251):	Series S	14,511	408,136
	Total	\$ 126,238	\$ 2,388,385
Total Unamortized Premium on Debt		\$	\$

★ EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182)

Report each item separately.

DESCRIPTION	TOTAL
Extraordinary Property Losses (Account 182):	\$
Not Applicable	
Total Extraordinary Property Losses	\$

★ NOTES PAYABLE (ACCOUNTS 232 and 234)

	Nominal Date of Issue	Date of Maturity	Interest		Principal Amount Per Balance Sheet
			Rate	Frequency of Payment	
Account 232 -- Notes Payable:					
			Prime %	Quarterly	\$ - 0 -
			%		
			%		
			%		
			%		
Total Account 232					\$ - 0 -
Account 234 -- Notes Payable To					
Associated Companies:					
			%		\$ - 0 -
			%		
			%		
			%		
			%		
Total Account 234					\$ - 0 -

CONTRIBUTIONS IN AID OF CONSTRUCTION

	Water	Sewer	TOTAL
Balance First of Year	14,534,560		14,534,560
Add credits during year:			
Contributions received from Customer Main Extension Agreements	277,950		277,950
Customer Connection Charges			
Contributions received from Developer or Contractor Agreements			
in cash or property			
Total Credits			
Deduct Charges During Year			
Balance End of Year			
Less Accumulated Amortization	2,660,620		2,660,620
Net CIAC	12,151,890		12,151,890

* RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment or sharing of the consolidated tax amount among the group members.

See Attached	Reference	AMOUNT
Net Income for the Year		\$
Reconciling Items for the Year:		
Taxable Income Not Reported On Books:		
Deductions Recorded On Books Not Deducted For Return:		
Income Recorded On Books Not Included In Return:		
Deductions On Return Not Charged Against Book Income:		
Federal Tax Net Income		
Computation of Tax:		

NORTHERN ILLINOIS WATER CORPORATION
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE
INCOME FOR FEDERAL INCOME TAXES

	Amount
Net Income For The Year	\$ 2,299,338
Reconciling Items for the Year:	
Taxable Income not Reported on Books:	0
Total Taxable Income not Reported on Books	\$ 2,299,338
Deductions Recorded On Books Not Deducted For Return:	
Accrued Federal Income Tax	1,490,199
Deferred Federal Income Tax	(242,791)
Deferred State Income Tax	39,633
Rate Case Expensed and Amortized	124,056
Loss on Vehicle/Property Retirements	(112,232)
50% of Meals	6,650
Non-Deductible Memberships & Dues	7,479
Amortization of Watershed Expenses	55,538
Amortization of Deferred Painting	111,190
Uncollectible Accounts Expense	94,723
Amortization of Mark to Market Adjustment	23,852
Post Retirement Benefits - Accrued	122,812
Supplemental Pensions	13,964
Accrued Merger Cost	840,300
Lobbying Expense	40
Misc. Non-deductible Expense	3,741
Total Deductions Recorded on Books	
Not Deducted for Return	\$ 2,579,154
Income Recorded On Books Not Included In Return:	\$0
Deduction On Return Not Charged Against Book Income:	
Excess Tax Depreciation	215,575
Removal Costs ADR Retirements	14,725
Specific Net-Write Offs	90,003
Post Retirement Benefits - Paid	23,751
Deferred Painting	215,039
Total Deductions On Return Not Charged	
Against Book Income	\$559,093
Federal Taxable Net Income	\$ 4,319,399
Computation of Tax:	
Taxable Income	\$ 4,319,399
Tax @ 35.00%	1,511,790
Add:	
Prior Years Adjustment	(21,591)
Accrued Federal Income Tax	\$ 1,490,199

Name of Respondent	This report is: (1) <input type="checkbox"/> An original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Day, Yr)	Year of Report Dec. 31, 1999
--------------------	--	---------------------------------	---------------------------------

RECONCILIATION OF GROSS REVENUE TAX

This schedule is to reconcile the amounts shown in the accompanying Annual Report with the amounts shown on the Amended/Annual Gross Revenue Tax Return:

	(a)	As Shown on Annual Report (b)	Page & Line Where Amount At Left Can Be Found in the Annual Report (c)
1	1] a. Actual Gross Operating Revenue as shown in Annual Report	22,968,317	Page 17W Total Sales of Water
2	b. Less Interstate Revenue		
3	c. Gross Revenue Applicable to Illinois	22,968,317	
4	DEDUCT:		
5	2] a. Revenue from Sale to Utilities for Resale		
6	b. Uncollectible Accounts (If billing basis used)	94,723	Page 18W(a)
7	c. Other Deductions (If amounts are included in 1-a. above)		
8	Account Description	Account No.	
9	Meter Repair	5,831	Page 17W
	Unbilled Revenue	55,925	Page 17W
10	Collections for Others	192,333	Page 17W
11	Other Miscellaneous	29,918	Page 17W
12	Returned Check Charge	9,350	Page 17W
13	Application Fee	130,250	Page 17W
	Reconnection Charges	41,565	Page 17W
14	Rent from Water Property	5,700	Page 17W
15	Taxable Illinois Gross Revenue from Annual Report (lines 1-2 thru 14)	22,402,722	
16	Taxable Illinois Gross Revenue from Amended/Annual Gross Revenue Tax Return	22,402,722	
17	DIFFERENCE (line 15 minus line 16)	- 0 -	

If difference calculated on line 17 is a positive amount of \$1,000.00 or more, a revised Amended/Annual Tax Return for the year plus payment of any additional tax due must be promptly remitted to the Illinois Commerce Commission. If the calculated difference is less than \$1,000.00 or a negative amount, no further action is required regarding your tax reconciliation. (The tax owed on \$1,000 at the current tax rate of .10% is \$1.00. According to the Public Utilities Act a deficiency in taxes paid of less than \$1.00 need not be paid to the Commission.)

ANALYSIS OF UNBILLED REVENUE

This form is to be completed by allwater and sewer utilities.

	<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	<u>REFERENCE</u>
1. Water Utility Revenue	\$ 22,398,236	\$ 22,912,392	
2. Less: Prior Year Unbilled Revenue	\$ 1,441,520	\$ 1,597,739	Prior Yr. ILCC Form 22 Pg 16F(b), ln 3
3. Add: Current Year Unbilled Revenue	\$ 1,597,739	\$ 1,653,664	
4. Gross Water Utility Operating Revenue	\$ 22,554,455	\$ 22,968,317	Pg 17W
5. Sewer Utility Revenue	\$	\$	
6. Less: Prior Year Unbilled Revenue	\$	\$	Prior Yr. ILCC Form 22 Pg 16F(b), ln 7
7. Add: Current Year Unbilled Revenue	\$	\$	
8. Gross Sewer Utility Operating Revenue	\$	\$	Pg 23S
9. Total Utility Revenue (ln 1 + ln 5)	\$ 22,398,236	\$ 22,912,392	
10. Less: Total Prior Year Unbilled Revenue (ln 2 + ln 6)	\$ 1,441,520	\$ 1,597,739	Prior Yr. ILCC Form 22 Pg 16F(b), ln 11
11. Add: Total Current Year Unbilled Revenue (ln 3 + ln 7)	\$ 1,597,739	\$ 1,653,664	
12. Total Gross Utility Operating Revenue	\$ 22,554,455	\$ 22,968,317	Pg 16F(a), ln 1

**NORTHERN ILLINOIS WATER CORPORATION
RECONCILIATION OF GROSS REVENUE UTILITY TAX WITH ANNUAL REPORT**

<u>Description</u>	<u>Amount</u>
Meter Repair	\$ 5,831
Collections for Others	192,333
Other miscellaneous	29,918
Returned Check Charge	9,350
Application Fee	130,250
Reconnection Charges	41,565
Total Miscellaneous Service Revenues as listed on Page 17W.	<u>\$ 409,247</u>

UTILITY NAME	Year of Report
Northern Illinois Water Corporation	Dec. 31, 19 99

WATER OPERATION SECTION

List below the names and titles of all full time employees whose salaries and wages are recorded in Account Number 601, page 18W.

NOTE: Only those utilities with 2,500 or fewer customers are required to complete this item.

[illegible]**WATER OPERATING REVENUE**

Acct No.		Gallons Sold	Year End Number of Customers	Amounts
	Operating Revenues:			
460	Unmetered Water Revenue			\$
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	4,134,476	57,328	\$ 13,496,660
461.2	Metered Sales to Commercial Customers	1,453,470	4,144	3,007,824
461.3	Metered Sales to Industrial Customers	925,242	139	1,507,251
461.4	Metered Sales to Public Authorities	1,583,194	312	1,943,624
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	8,096,382	61,923	\$ 19,955,359
	Fire Protection Revenue:			
462.1	Public Fire Protection		7	\$ 1,740,894
462.2	Private Fire Protection		776	289,035
	Total Fire Protection Revenue			\$ 2,029,929
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
466	Sales for Resale	488,251	6	568,082
467	Interdepartmental Sales			
	Total Sales of Water	8,584,633	62,712	\$ 22,553,370
	Other Water Revenues:			
469	Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			409,247
472	Rents from Water Property			5,700
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 414,947
	Total Water Operating Revenues			\$ 22,968,317

UTILITY NAME					Year of Report
Northern Illinois Water Corporation					Dec. 31, 19 99
WATER UTILITY PLANT ACCOUNTS					
Acct. No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	\$ 54,519	\$ - -	\$ - -	\$ 54,519
302	Franchises	166,073	- -	- -	166,073
303	Land and Land Rights	1,258,596	1,127	- -	1,259,723
304	Structures and Improvements	7,582,899	347,399	108,676	7,821,622
305	Collecting and Impounding Reservoirs	1,265,800	(2)	- -	1,265,798
306	Lake River and Other Intakes	325,276	- -	- -	325,276
307	Wells and Springs	1,681,705	(1)	- -	1,681,704
308	Infiltration Galleries and Tunnels	- -	- -	- -	- -
309	Supply Mains	2,847,416	6,532	- -	2,853,948
310	Power Generation Equipment	127,742	- -	10,967	116,775
311	Pumping Equipment	4,285,755	1,046,629	126,533	5,205,851
320	Water Treatment Equipment	13,126,743	240,520	90,986	13,276,277
330	Distribution Reservoirs and Standpipes	1,242,513	676,528	11	1,919,030
331	Transmission and Distribution Mains	39,050,772	3,586,847	31,584	42,606,035
333	Services	10,656,223	606,007	19,097	11,243,133
334	Meters and Meter Installations	7,447,917	434,768	76,174	7,806,511
335	Hydrants	3,959,814	336,610	13,992	4,282,4
339	Other Plant and Miscellaneous Equipment	- -	- -	- -	- -
340	Office Furniture and Equipment	648,710	34,027	1,251	681,486
341	Transportation Equipment	1,546,157	200,870	106,497	1,640,530
342	Stores Equipment	32,264	1	- -	32,265
343	Tools, Shop and Garage Equipment	594,262	60,811	15,252	639,821
344	Laboratory Equipment	143,811	3,899	2,627	145,083
345	Power Operated Equipment	661,740	63,217	50,125	674,832
346	Communication Equipment	156,770	2,546	- -	159,316
347	Miscellaneous Equipment	32,909	26,338	3,184	56,063
348	Other Tangible Plant	- -	- -	- -	- -
	Total Water Plant	\$ 98,896,386	\$ 7,674,673	\$ 656,956	\$105,914,103

UTILITY NAME		Year of Report
Northern Illinois Water Corporation		Dec. 31, 19 99
WATER OPERATION AND MAINTENANCE EXPENSE		
Acct. No.	ACCOUNT NAME	AMOUNT
601	Salaries and Wages - Employees	\$ 4,284,089
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	288,084
604	Employee Pensions and Benefits	955,655
610	Purchased Water	- -
615	Purchased Power	1,422,566
616	Fuel for Power Production	1,455
618	Chemicals	714,398
620	Materials and Supplies	185,356
631	Contractual Services - Engineering	1,877
632	Contractual Services - Accounting	17,971
633	Contractual Services - Legal	32,548
634	Contractual Services - Management Fees	275,158
635	Contractual Services - Other	- -
641	Rental of Building/Real Property	264,053
642	Rental of Equipment	309,250
	Transportation Expense	147,591
656	Insurance - Vehicle	- -
657	Insurance - General Liability	174,685
658	Insurance - Workman's Compensation	105,555
659	Insurance - Other	- -
660	Advertising Expense	6,610
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	124,056
667	Regulatory Commission Expenses - Other	- -
670	Bad Debt Expense	94,723
675	Miscellaneous Expenses	3,697,456
	Total Water Operation and Maintenance Expense	\$13,103,136